

OFFICIAL COPY

May 29, 2001

City Council met in regular session at the hour of 8:30 a.m. in the Council Chambers, City Hall, on the day

Present: Councilmember  
Councilmember  
Councilmember  
Councilmember  
Councilmember (arrived later)  
Acting Council President  
Council President

Hilda Cantu Montoy, City Attorney

Yolanda Salazar, Assistant City Clerk

(8:30 A.M.) \_\_\_\_\_

(A) EMPLOYEE FCEA; ATU LOCAL  
FAPOFA; CFMEA; CFPEA, FPOA; IBEW LOCAL 100 AND STATIONARY ENGINEERS LOCAL 39, IAFF

The Council met in closed session at the hour of 8:30 a.m. in Room 2125 to consider the above issues and

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(8:55 DIRECT THE CITY MANAGER TO AMEND THE CURRENT CONTRACT WITH MACIAS  
GROUP (MCG) TO ASSIST COUNCIL IN THEIR BUDGET REVIEW AND TO CONDUCT  
PERFORMANCE AUDITS OF THE POLICE, FIRE, CONVENTION CENTER AND AIRPORTS  
AND RETURN WITH AN AMENDED CONTRACT AT THE NEXT COUNCIL MEETING -

Councilmember  
asked  
audits  
performing in a more efficient manner.

5/29/01

City Manager Hobbs advised he and the Police Chief were recommending the Police Executive Research Forum (PERF) out of Washington D.C. perform the review instead of MCG adding the City was familiar with them and PERF was familiar with the city's Problem Oriented Policing (POP) program and had sponsored some training using Fresno's department, and responded to questions of Councilmember Castillo relative to the cost difference between MCG and PERF and if MCG was incapable of performing the performance audit.

Councilmembers Castillo and Boyajian spoke in support of retaining MCG, and Acting President Ronquillo commented on the need to try and consolidate as many functions as possible for efficiency and cost savings. Councilmember Duncan concurred MCG had done an excellent job and recommended MCG and PERF provide a proposal at the next meeting on what they could bring to the table and their scope of work so Council could have a clear comparison and make an educated decision.

Brief discussion ensued. Councilmember Calhoun stated with the change in leadership this would probably be an appropriate time for a specialist to come in and give a more comprehensive review of the police department. Upon the recommendation of the City Attorney, the police department was removed and the matter was broken down into two separate issues.

On motion of Councilmember Boyajian, seconded by Councilmember Calhoun, duly carried, RESOLVED, the City Manager directed to amend the current contract with the Macias Consulting Group (MCG) to: (1) assist Council in their budget review, and (2) conduct additional performance audits of the Fire, Convention Center and Airports Departments, *and, as amended, adding Non-Departmental*, and return with an amended contract at the next council meeting, by the following vote:

Ayes	:	Boyajian, Calhoun, Castillo, Duncan, Ronquillo, Perea
Noes	:	None
Absent	:	Quintero

Brief discussion ensued and/or clarifications were made on the motion, including cost and scope of work in MCG's and PERF's proposals, the need to lay out criteria, and PERF's standard process. Mr. Hobbs requested two weeks be allowed for staff to return with the proposals.

On motion of Councilmember Duncan, seconded by Councilmember Calhoun, duly carried, RESOLVED, the City Manager directed to return in two weeks with proposals from the Macias Consulting Group (MCG) and the Police Executive Research Forum (PERF) to conduct a performance audit of the Police Department, by the following vote:

Ayes	:	Boyajian, Calhoun, Castillo, Duncan, Ronquillo, Perea
Noes	:	None
Absent	:	Quintero

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#### MOTION CLARIFICATIONS/AMENDMENTS/ADDITIONS - COUNCILMEMBER DUNCAN

#### MOTION NO. 1 - "Fund House of Hope in full amount of \$97,000 (CDBG)"

Councilmember Duncan noted the private sector provided the same services (home ownership training) that Consumer Credit Counseling provided and amended his motion as follows:

**AMENDED MOTION NO. 1 - Councilmember Duncan** - Eliminate CDBG funding in the amount of \$25,000 for Consumer Credit Counseling and add that \$25,000 to the House of Hope.

MOTION NO. 5 - "\$225,000 in funding to be set aside for a fee reduction program targeting the area bound by the three freeways"

**AMENDED MOTION NO. 5 - Councilmember Duncan** - \$225,000 in funding from the Development Department to be set aside for a *home building fee reduction program* targeting the downtown area bound by the three freeways.

**MOTION - Councilmember Duncan** - Fund the House of Hope Truancy Centers in the amount of \$40,000 from the \$2.5 million security subsidy given to the Fresno Unified School District.

Upon question of Councilmember Boyajian, City Attorney Montoy advised she would look into HUD criteria requiring a local agency to provide funding for Consumer Credit Counseling.

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**(9:00 A.M.) CONTINUED BUDGET HEARINGS**

**TRANSIT - FRESNO AREA EXPRESS:**

Transit Manager Rudd introduced key staff in attendance and gave an overview of FY 01's accomplishments the proposed FY 02 budget, and along with Budget Manager Bruney responded to questions and/or comments of Councilmember Calhoun and President Perea relative to reasons for increases in ridership and employee services, if any grant dollars required matching funds, budgeted worker's compensation costs and what was anticipated, impact if the requested \$1.5 million in Measure "C" funds were not approved, and what the circle would look line if the FAX service area was reduced to reduce waiting times.

\*\* A visiting class from Mt. View Elementary School was recognized and welcomed.

Mr. Rudd responded to additional questions from Councilmembers Ronquillo and Duncan relative to the Long Range Transit Plan and various routes/times, service to Valley Childrens Hospital, if rate increases were anticipated with compressed natural gas, Clovis service and if they contributed to costs for service, if costs paid were comparable to actual operating costs, and bus advertising covering the City logo. Councilmember Duncan stated he felt advertising specifications were flawed and unenforceable, and made the following motions/directions and explained:

**MOTION/DIRECTION - Councilmember Duncan** - Enforce bus advertising specifications that advertising shall not cover City of Fresno Logo.

**MOTION/DIRECTION - Councilmember Duncan** - Budget funding and develop a plan by December 1<sup>st</sup> to increase frequency of service to high traffic routes to 15 minutes.

**MOTION/DIRECTION - Councilmember Duncan** - Budget costs and conduct a feasibility study to develop "Park and Ride" facilities in shopping center parking lots and provide an express bus commuter service **(2 - 0)**.

**MOTION/DIRECTION - Councilmember Duncan** - Insure FAX advertising dollars are spent only with media that clearly support FAX's advertising objections and are the result of a complete and competitive evaluation process.

Councilmember Duncan commended Transit staff stating they provided a critical service. Mr. Rudd responded to questions of President Perea relative to amount of revenue received for advertising, the current frequency levels, and what the circle would look like if it were shortened to 10-15 minute frequencies, with President Perea stating he hated to see families waiting.

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**RECESS - 9:58 A.M. - 10:40 A.M.** Councilmember Quintero arrived.

Councilmember Duncan stated he wanted to bring back the convention center budget to discuss publicly the \$3.5 million shortfall in the department, with Assistant City Manager Souza stating the matter was scheduled for a planned presentation on June 5<sup>th</sup> outside of the budget process.

**TRANSIT - FRESNO AREA EXPRESS - CONTINUED:**

Mr. Rudd and Mr. Bruney responded to continued questions of President Perea and/or clarified issues relative to the circle with shortened frequencies and impacts, how long the analysis would take on shortened frequencies as motioned by Councilmember Duncan, if the Long Range Plan would be "flushed out" more, operating resources, why \$1.5 million was being requested from Measure "C" funds and impact if those funds were not received, contributions to reserves, request for spread sheets on matching grant funds, and reserves and balance.

**MOTION - President Perea** - Allocate \$1 million from the proposed \$4.7 million reserve for neighborhood projects.

Mr. Rudd and Mr. Bruney responded to additional questions/comments of President Perea and Councilmembers Boyajian and Quintero relative to night service numbers, grants for bus benches, if speciality/smaller buses were being looked at, plans for increased service to Central High School, night service including subsidies, shelter lighting, expanded routes, increases/decreases in various line items, last year's concern with overworked drivers and overtime, plans for reducing overtime in FY 02, if the proposed fee increase would affect ridership, success of grants, fleet conditions/needs and talking with the Air Pollution Control District due to CNG policy, the \$5.5 million increase in Transit Operating fund, and cost to the City for the CNG fueling station. Councilmember Quintero commended staff on prioritizing and spending money wisely.

Gloria Torrez, 2600 Fresno Street, spoke to the need for improved public transportation and reinstatement of 20-minute service on Line 38.

Councilmember Duncan stated a decision was made for CNG and everyone needed to work together to make it successful, and Councilmember Boyajian commented on a news article relative to San Francisco's troubles with clean diesel fuel **(3 - 0)**.

## **FIRE DEPARTMENT:**

Chief Smith introduced key staff, reviewed FY 01 statistics and accomplishments, gave an overview of his department's proposed FY 02 budget, and along with Budget Manager Bruney responded to questions of Councilmembers Calhoun, Quintero and Duncan relative to number of employees and reason for increase in salaries, concern with some reductions in emergency response cost figures, tight gap between the Fire Chief and Bureau Chief salaries, various issues relative to the arson investigation unit, fire insurance ratings, grant dollars, vehicle arson, fleet and fire equipment conditions and needs, the hazardous material unit, the Station 3 exercise room remodel project, overtime costs in the fire suppression unit and concerns with fatigue, and infrared camera plans including fund-raising efforts.

**MOTION/DIRECTION** - Councilmember Duncan - Present a plan by October 1<sup>st</sup> to reduce overtime in the Fire Suppression Unit by 50% for safety reasons.

Extensive discussion ensued with Chief Smith, Mr. Bruney and Chief Arendt responding to questions and/or comments of Councilmembers Boyajian, Castillo and President Perea relative to operating resources/public safety alarm fees, if arson had increased, fire insurance ratings, what it would take to increase the city's current Class 4 fire rating, if the department was proactive on grants, if a full-time grant writer would be a benefit to the department, condition/age of breathing apparatus, discrepancies in expenditures/objects line items, the fire prevention engineer position and how it benefitted the department, issues relative to cost and construction of fire stations 15 and 21, if there were plans for improvements to older stations, ISD charges (**4 - 0**), reason for the drop in arson, how much overtime the arson unit accounts for, if an additional arson investigator would be beneficial, Valley Childrens Hospital service including negotiations, operating costs, the agreement and expiration date, and chances of responding to fires in Fresno and Valley Childrens at the same time and if response times would be jeopardized, when most arson fires occur, if changing arson investigator working shifts made sense, reassigning personnel for overtime reduction, and amount of unproductive and unscheduled overtime, with President Perea requesting numbers on overtime, and what was needed to raise the fire rating.

**MOTION/DIRECTION** - President Perea - Develop a plan to increase Fresno's current Class 4 fire rating to a Class 3, 2 and 1 rating to make future budget decisions.

Chief Smith and Mr. Bruney responded to additional questions of President Perea relative to budget detail reports/increase in employee needs, Fire Station 21 including UGM fees, need for additional funds, purchasing land and leasing back to developer, and the \$166,400 for salaries, and why funding was being budgeted for Station 15 when it was not going to be constructed in FY 02.

**MOTION** - President Perea - Move the \$166,400 budgeted for Fire Station 15 salaries into the general fund reserve account (with the option of returning to Council to move it back if needed).

Brief discussion ensued with Chief Smith responding to questions of Councilmember Quintero relative to the Fresno County Fire Protection District (FCFPD) including their authority over the City constructing fire stations in county areas, if FCFPD would have to give up station 88 when station 15 was built, if FCFPD would contribute financially to Station 15, and negotiations with FCFPD, with Councilmember Quintero expressing concern with the ability of Station 88 to accommodate southeast growth stating that needed to be addressed. City Attorney Montoy requested her office be contacted before sending out a letter requesting negotiations and advised of the pending dispute between the City and the FCFPD.

Chief Smith and City Manager Hobbs responded to questions of President Perea relative to management of overtime and levels of staff evaluations. There was no further discussion.

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**LUNCH RECESS - 12:41 P.M. - 1:51 P.M.**

**DEPARTMENT OF HOUSING AND NEIGHBORHOOD REVITALIZATION**

**1. RESOLUTION NO. 01-175 - APPROVING THE PRELIMINARY FY 02 ANNUAL ACTION PLAN (AAP) FOR SUBMITTAL TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG), HOME INVESTMENT PARTNERSHIP (HOME) AND EMERGENCY SHELTER GRANT (ESG) PROGRAM FUNDS, AND AUTHORIZE (UPON CITY ATTORNEY APPROVAL), THE CITY MANAGER TO SIGN ALL HUD DOCUMENTS AND AGREEMENTS FINALIZING AND IMPLEMENTING THE ANNUAL ACTION PLAN**

President Perea briefly commented on the possibility of moving \$1 million out of CDBG, HOME or ESG funds for neighborhood infrastructure projects adding discussion was needed on impacts if \$1 million were taken out of this budget, and also commented on integrating/consolidating city functions/services with the net result being an additional \$1 million for neighborhood projects.

HNR Director Quiring introduced key staff in attendance, gave an overview of the four divisions and the FY 02 budget and goals, and HNR Manager Bowness gave an overview of the housing activities and accomplishments.

Ms. Quiring responded to questions of Councilmember Duncan and/or clarified issues relative to why community sanitation was not located in the public utilities department (**5 - 0**), reason for increase in employee services, number of infill housing projects, rental and homeowner rehabilitations and DAP projects planned for FY 02, historic preservation designations, increase in code enforcement cost, performance measures relative to graffiti staying the same, and sign ordinance enforcement and employee training.

**MOTION - Councilmember Duncan** - Move the Community Sanitation Division into the Department of Public Utilities.

**MOTION/DIRECTION - Councilmember Duncan** - Evaluate the concept of neighborhood code enforcement (similar to policing districts) and provide a proposal by September 1<sup>st</sup> with downtown as a test site.

Discussion ensued with Mr. Hobbs, Ms. Quiring, M.A. Watahira, Housing Supervisor Lim and City Attorney Montoy responding to questions, comments and/or requests of President Perea and Councilmembers Calhoun, Ronquillo and Boyajian relative to whether there would be any efficiency in having code enforcement in the police department, operating resources/additional revenues projected, sign ordinance status, process and timeline to adopt the AAP, encouraging home ownerships, with Acting President Ronquillo requesting a breakdown on single-residential owner-occupied loans, single-residential investment rentals *not* owner-occupied, and amount of loans given for apartments), District 3 being 89% CDBG eligible yet receiving only 17% of the funds, need for a more equitable/ reasonable way to appropriate CDBG funds, who was responsible for determining CDBG allocations (with

ilmember Boyajian expressing his concern stating his district has consistently received zero funds), (6 issues relative to the DAP and CHDO programs, and sign enforcement in the Tower District.

**MOTION**

- Apply all DAP funds toward rehabilitation of homes.

Council

receive some CDBG funding along with District 3 and other districts that had not been getting anything, and presented relative to revenues and the rental rehabilitation revolving loan repayments, and the residential demolition capital.

\_\_\_\_\_ - **Councilmember Boyajian** - Increase funding for residential demolition (\$400,000 was subsequently added as the amount).

Ms. Quiring and Mr. Bruney responded to additional questions of Councilmembers Boyajian and Calhoun relative to reason for adding an additional position in neighborhood services, effect of vacancies, reason for the \$3.5 million carryover in CDBG funds, weaning the police department and code enforcement off CDBG funds, demolitions ultimately saving the City money, and using CDBG funds for Highway City streets improvements.

A motion and second to approve the above resolution preliminarily approving the Annual Action Plan with the understanding that it could be modified as budget hearings proceeded was made and acted upon after additional discussion.

Mr. Bruney responded to questions/comments of Councilmembers Duncan, Ronquillo and Boyajian and/or clarified issues relative to the need for a plan and strategy to construct 1,000 infill housing projects (with Councilmember Duncan noting at the goal of 6 per year it would take 166 years to achieve the 1,000), City sign ordinance violations and enforcement, and if neighborhood projects would be completed in FY 02 if additional funds are allocated as planned. Acting President Ronquillo played a video tape of streets in District 3 in dire need of improvements. Councilmember Boyajian commented on the need to address vacant buildings downtown and questioned if a grant writer would be beneficial to the department.

**MOTION** - **Councilmember Boyajian** - Add a full-time grant writer to address vacant downtown buildings.

Ms. Quiring responded to questions of President Perea relative to how a \$1 million reduction in the AAP budget would impact the departments' operations and programs, the community sanitation fund increase in operations and what it would mean if it were passed on to the rate-payer, and the needed increase to retain the same level of service.

**MOTION** - **President Perea** - Allocate \$500,000 from the community sanitation rate increase for neighborhood projects and an additional \$200,000 from a funding source to be discussed and determined.

President Perea commented on the need to consolidate city services and equipment to get more done for the dollar stressing there were inefficiencies and department duplications, questioned how that could be implemented, with Mr. Hobbs responding, and commented on and addressed CDBG eligible areas, funding allocations and prioritizing process, and the \$2.2 million going into his district, stated he respected his colleagues' passions for their districts (7 - 0) adding projects could be changed if members saw any imbalance, and commented on the need for additional funds for neighborhoods.

\_\_\_\_\_ - **President Perea** - Locate

Districts 1, 2 and 4, with Councilmember Duncan subsequently requesting District 3 be added.

President

to politics and cronyism. Councilmember Duncan noted the FY 01 adopted plan was not that different from FY 02 and a question to Councilmember Boyajian relative to the process and how decisions were made last year under his on the exorbitant costs for certain projects and clarified his comments were directed at an entirely different time, and

On motion of Councilmember Calhoun, seconded by Councilmember Duncan, duly carried, RESOLVED, the entitled Resolution No. 01-175 authorizing the submittal of the Preliminary FY 2002 Annual Action Plan to HUD to begin the 45-day review process required by made by Council in the FY 02 Budget into the final FY 02 Annual Action Plan; and the City Manager authorized to sign reasonably required/implicated documents, instruments and funding agreements to carry out the Annual Action Plan, subject to prior approval by the City Attorney, by the following vote:

: Boyajian, Calhoun, Castillo, Duncan, Quintero, Ronquillo, Perea  
: None  
: None

**RECESS - 3:48 P.M. - 4:01 P.M.**

**DEPARTMENT OF ADMINISTRATIVE SERVICES:**

DAS Director Gargiulo gave an overview of FY 01's accomplishments and FY 02's highlights and goals, and managing the UGM financial process.

**MOTION**

Transfer financial management of the UGM process to the appropriate finance

Mr. Gargiulo and Risk Manager Turner responded to additional questions of Councilmember Duncan relative reasons for the substantial increases in four divisions, with Councilmember Duncan emphasizing these were tough budget times and the increases were hard to accept.

\_\_\_\_\_ - **Councilmember Duncan** - All

*not* to increase their overall

Discussion ensued with Councilmember Duncan, Mr. Gargiulo, Budget Manager Bruney, Purchasing Manager Mr. Carlton, Human Resources Manager Chavez, Labor Relations Manager Aguiniga and City Attorney Montoy relative to why just DAS was being singled out to not increase their overall spending and not the other departments,



risk management increases, central printing and amount of mail handled, **(8 - 0)** business license fees, reason for increase in the Controller's income, City recruitment process, reason for Senior Risk Analyst salary increase, retirement appropriations and actuals, reason/need for the added Labor Relations Specialist, contingency funds, and Council's ability to approve a 90-day budget.

President Perea stated he had a real uneasiness with the budget and was not getting a complete feel for what was in it, emphasized there had to be a way to change the way the City conducted business and read a section from the Charter relative to Merit Principle, and stated it should not take so long to get things accomplished and staff needed to be creative. City Manager Hobbs recommended Council look at the upcoming Macias report which may address efficiencies and improvements and stated if specific concerns were to be identified, recommended the new DAS Director, Mr. Esquivel, respond to any issues and give an objective readout.

Councilmember Boyajian commented on the need for an honest response as there was a need to determine the financial condition of the City and on the need to find revenue streams for services, and presented questions relative to customer satisfaction, with Fleet Manager Nerland responding. Mr. Hobbs advised of a mid-year budget review process used elsewhere.

**MOTION - Councilmember Castillo** - Simplify the budget for easy identification/determination of amounts being spent and where/what they are being spent on, and have a more comprehensive plan in place at the 6-month mid-year budget review.

Retirement Administrator McDivitt briefly reviewed the budget for the Retirement Office and responded to Council questions.

Brief discussion ensued regarding additional budget review and dates and with Council consensus, additional dates to be set as needed at the June 5<sup>th</sup> meeting. There was no further discussion.

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**(1:30 P.M.) MUNICIPAL LAW WORKSHOP ON CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA), BROWN ACT, AND CONFLICTS OF INTEREST**

To be rescheduled.

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## **ADJOURNMENT**

There being no further business to bring before the Council, the hour of 5:21 p.m. having arrived and hearing no objections, President Perea declared the meeting adjourned.

**APPROVED** on the 5<sup>th</sup> day of June, 2001.

\_\_\_\_\_  
ATTEST:\_\_\_\_\_

\_\_\_\_\_  
Henry Perea, Council President

Yolanda Salazar, Assistant City Clerk

**137-283**

**5/29/01**